VZCZCXYZ0000 PP RUEHWEB

DE RUEHTV #1314/01 1710922 ZNR UUUUU ZZH P 190922Z JUN 08 FM AMEMBASSY TEL AVIV TO RUEHC/SECSTATE WASHDC PRIORITY 7200 RHEHAAA/WHITE HOUSE WASHDC PRIORITY RHEHNSC/WHITE HOUSE NSC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RUEAHQA/HQ USAF WASHINGTON DC PRIORITY RUEADWD/DA WASHDC PRIORITY RHMFIUU/CNO WASHINGTON DC PRIORITY RHEFDIA/DIA WASHINGTON DC PRIORITY RUEKJCS/JOINT STAFF WASHDC PRIORITY RUEHAD/AMEMBASSY ABU DHABI PRIORITY 4007 RUEHAS/AMEMBASSY ALGIERS PRIORITY 0643 RUEHAM/AMEMBASSY AMMAN PRIORITY 4306 RUEHAK/AMEMBASSY ANKARA PRIORITY 4813 RUEHLB/AMEMBASSY BEIRUT PRIORITY 4024 RUEHEG/AMEMBASSY CAIRO PRIORITY 2316 RUEHDM/AMEMBASSY DAMASCUS PRIORITY 4774 RUEHLO/AMEMBASSY LONDON PRIORITY 1642 RUEHFR/AMEMBASSY PARIS PRIORITY 2088 RUEHRB/AMEMBASSY RABAT PRIORITY 8631 RUEHRO/AMEMBASSY ROME PRIORITY 6118 RUEHRH/AMEMBASSY RIYADH PRIORITY 1021 RUEHTU/AMEMBASSY TUNIS PRIORITY 5141 RUCNDT/USMISSION USUN NEW YORK PRIORITY 7097 RUEHJM/AMCONSUL JERUSALEM PRIORITY 9942 RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 001314

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA HQ USAF FOR XOXX DA WASHDC FOR SASA JOINT STAFF WASHDC FOR PA CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR COMSOCEUR VAIHINGEN GE FOR PAO/POLAD COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

SIPDIS

E.O. 12958: N/A TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT: -----

Mideast

Key stories in the media:

All media led with the truce which took effect this morning. Ha'aretz quoted PM Ehud Olmert as saying yesterday that the "tahdiya" is "fragile and may be very short." Major media reported on, and Yediot, Maariv, and Israel Hayom bannered, the dissatisfaction of Gilad Shalit's father Noam with the truce agreement, which he said -- in a letter to PM Ehud Olmert, Defense

Minister Ehud Barak, and FM Tzipi Livni, and in an interview with Israel Radio -- betrayed promises made to his family. Noam Shalit claims that the cabinet and Olmert pledged to include his son's release as part of any agreement and that he now fears that Hamas may use this opportunity to smuggle his son abroad if the Rafah crossing opens. Electronic media reported that moments before the truce took hold, the IAF killed a member of a Qassam rocket squad preparing to launch near the Bureij refugee camp in central Gaza. Palestinian sources said the man killed was a Hamas operative.

The Jerusalem Post reported that the deployment of a multinational Arab force in Gaza could possibly be the final stage of the truce that began today. The Jerusalem Post quoted a senior defense official involved in the cease-fire talks as saying that Egypt raised the request for the deployment of the Arab force during meetings between Amos Gilad, head of the Defense Ministry's Diplomatic-Security Bureau, and Egyptian Intelligence chief Omar Suleiman. Israel, the defense official was quoted as saying, was not completely opposed to the idea since it would ultimately bring Arab countries such as Egypt to "take responsibility" for events in Gaza. The deployment was also raised as a way for PA President Mahmoud Abbas and his Fatah party to regain control of the Gaza The official said that while Israel was therefore in favor Strip. of the initiative, the defense establishment was skeptical that it would succeed in light of Hamas's public opposition as well as the operational challenges it would pose for the IDF. One such challenge would be concerns over accidentally harming soldiers of the multinational force while pursuing terrorists inside the Gaza Strip.

The Jerusalem Post quoted senior defense officials as saying last night that a deal for the release of abducted IDF reservists Ehud Goldwasser and Eldad Regev has been finalized, although it will take several days to implement. Major media quoted Ehud Barak as saying yesterday in consultations with senior IDF officers that it is "very likely that the abductees are not alive." Israel Hayom reported that reserve generals were furious at the price Israel is paying in the deal with Hizbullah. Yediot reported that early next week President Shimon Peres will pardon Lebanese terrorist Samir Kuntar, who is included in the prisoner exchange with Hizbullah.

The Jerusalem Post quoted GOI officials as saying yesterday that Israel wants to resolve the Sheba Farms issue within the framework of direct negotiations with Lebanon. Ha'aretz reported that several days ago Egypt asked UN Secretary-General Ban Ki-moon and the 15 members of the Security Council to demand that Israel withdraw as soon as possible from the Sheba Farms and place them under UNIFIL control until their fate is decided by a UN resolution or a delimitation of the Syria-Lebanon border. Ha'aretz reported that Egypt's Ambassador to the UN told the ambassadors of those countries that a diplomatic resolution of the Shaba Farms issue would be a "blow to Hizbullah and Iran."

Yediot quoted Olmert as saying in an interview with the French daily Le Figaro that direct negotiations with Syria are close.

The Jerusalem Post reported that yesterday in Petra, at a meeting of 29 Nobel Prize laureates, Arab League Secretary-General Amr Moussa charged that Israel was not serious in its intentions to negotiate peace with the Palestinians. Peres replied: "I am not prepared to listen to what you have to say. Israel evacuated many settlements in Gaza in a very difficult process, and what did we get for it? Why is Hamas firing rockets at Israel every day? Israel wants peace, and Israel is willing to do a lot for the sake of peace."

Ha'aretz reported that the dissolution of the Knesset may take place only towards the winter. Leading media reported that yesterday FM Livni began campaigning for Kadima leadership with two speeches in which she indirectly attacked Olmert and vowed to do his job better. Maariv reported that the spat between Olmert and Barak is intensifying.

Ha'aretz reported that yesterday Rabintex Industries reported an \$18.6 million vehicle conversion order from the U.S. Army. will be conducted by its subsidiary Bartek, over 10 months.

Mideast:

Military correspondent Amos Harel and Palestinian affairs correspondent Avi Issacharoff wrote on page one of the independent, left-leaning Ha'aretz: "Just like Oslo, for the 'tahdiya' Israel is paying in hard currency for general future commitments... The present strategic goal is not peace, but quiet, even if only for a short time -- until the elections."

Ha'aretz editorialized: "From Israel's perspective, the understandings on quiet that have been achieved via Egypt are just as important as a comprehensive agreement with Abu Mazen alone -- which would remain on the shelf."

Chief Economic Editor Sever Plotker opined in the mass-circulation, pluralist Yediot Aharonot: "[The 'tahdiya'] is a priceless gift to Hamas. Without it, it would have backed down."

Prominent liberal author A.B. Yehoshua wrote in Yediot Aharonot: "The cease-fire should not be treated merely as a legal agreement signed on paper, but as a tender sapling planted in the ground. It must be cultivated, watered, invested in and protected, so that it can gain strength and become a strong tree, which it will not be easy to uproot by means of a single Qassam rocket or shell."

Veteran journalist and anchor Dan Margalit wrote in the independent Israel Hayom (6/19): "Perhaps Israel did not go to Munich, but it crawled to Canossa."

The conservative, independent Jerusalem Post editorialized: "The upgrade of [Israel-EU] relations perhaps takes on its deepest significance in light of the EU's role as a Quartet member."

Block Quotes:

¶I. "The Lesser Evil"

Military correspondent Amos Harel and Palestinian affairs correspondent Avi Issacharoff wrote on page one of the independent, left-leaning Ha'aretz (6/19): "The cease-fire agreement between Israel and Hamas, the very same organization that Prime Minister Ehud Olmert said once again on Wednesday that we are not talking to, has one thing in common with the Oslo Accords. Just like Oslo, for the 'tahdiya' Israel is paying in hard currency for general future commitments. This is not a case of 'quiet for quiet,' a formula proposed many months ago.... Chief of Staff Gabi Ashkenazi understands the coalition picture, but there are quite a number of senior officers below him who see the agreement as a big mistake. In their eyes, Israel has not even attempted to try a long list of measured operations that are less than an conquest of the Gaza Strip, but if tried, might have forced Hamas to accept a cease-fire from a completely different position.... It is hard to ignore the influence of the Second Lebanon War on Israel's operations in Gaza. The pain of Lebanon is still clearly felt. Such pain adds to the limited political dialogue and dictates the choice of a cease-fire. In Olmert's present situation, any agreement will be presented as an achievement: not just the tahdiya, not just the return of the abducted soldiers in the hands of Hizbullah.... The present strategic goal is not peace, but quiet, even if only for a short time -- until the elections.

II. "Aspiring to a Lengthy Cease-Fire"

Ha'aretz editorialized (6/19): "[The 'tahdiya'] is a unique agreement because of the massive Egyptian involvement both in achieving it and promising to uphold it. Egypt has made efforts to secure agreements from all the Palestinian factions, even the tiniest and most negligible. Syria, too, supports the cease-fire, and apparently Palestinian President Mahmoud Abbas (Abu Mazen), about whose status Israel is concerned, is also prepared to help guard the crossings. From Israel's perspective, the understandings on quiet that have been achieved via Egypt are just as important as a comprehensive agreement with Abu Mazen alone -- which would remain on the shelf. In any case, there is no contradiction between the two... [Moreover], it is always more worthwhile to release prisoners in return for a soldier who has been taken captive than to

endanger other soldiers in a daring rescue operation that will exact a price in lives."

III. "Agreement with the Devil"

Chief Economic Editor Sever Plotker opined in the mass-circulation, pluralist Yediot Aharonot (6/19): "Israel did not need HamasQs recognition. We live very well without it, thank you very much. Hamas, at the present stage of its political development, desperately needed Israeli recognition, since the doors of the family of nations are locked before it. It would have remained perpetually outside the boundaries of the Arab mainstream, ostracized and rejected, like Al-Qaida.... The strategy of refusal $% \left(1\right) =\left(1\right) \left(1\right) +\left(1\right) \left(1\right) \left(1\right) +\left(1\right) \left(1\right$ caused the decline of Al-Qaida, its considerable weakening and a gradual loss of the magical influence that it wielded over hundreds of millions of Muslims. Its stock dropped drastically; in the end, few are willing to be considered friends of lepers.... [The 'tahdiya'] is a priceless gift to Hamas. Without it, it would have backed down. Under the pressure of the Palestinian and Arab street, for lack of military options and with a sense that the oxygen of its radical rhetoric was running out, Hamas would have unilaterally held its fire, drafted a new charter, agreed to release Gilad Shalit to the Egyptians and accepted the firm conditions posed to it by Israel and the international community for receiving minimal recognition. We were a hair's breadth away from this. But it was not Hamas that backed down. Israel backed down. What remains for us to hope for? It remains for us to hope that the Israeli government will not repeat the same mistake in the north, and will not conduct 'indirect' negotiations with Hizbullah on drawing up the border between us and Lebanon."

IV. "A Beginning, Not an End"

Prominent liberal author A.B. Yehoshua wrote in Yediot Aharonot (6/19): "Realistic logic eventually overcame the hesitations and evasions, and the cease-fire was indeed signed. We can only regret the wasted time, in which suffering and destruction dominated on both sides. It is important to remember one principle in the 100-year war with the Palestinians. The Israelis and the Palestinians are neighbors -- people who will live in proximity to each other forever. Therefore, the military considerations in this war are not similar to those in force between distant countries that are fighting each other. The residue of blood, both our and theirs, remains in the region, trickling into the memory and infrastructure of the two peoples. Therefore, an immediate cessation of the bloodshed is more vital than the fantasy of complete 'victory' the long term.... All those who rightly feared the 'large-scale operation,' must mobilize all their strength to fortify and deepen this cease-fire, in order to create a long-lasting state of calm, which will be able in future to become part of a peace agreement with the Palestinian Authority.... Therefore, the cease-fire should not be treated merely as a legal agreement signed on paper, but as a tender sapling planted in the ground. It must be cultivated, watered, invested in and protected, so that it can gain strength and become a strong tree, which it will not be easy to uproot by means of a single Qassam rocket or shell."

¶V. "Israel Crawled to Canossa"

Veteran journalist and anchor Dan Margalit wrote in the independent Israel Hayom (6/19): "Perhaps Israel did not go to Munich, but it crawled to Canossa. It did not want to stick to its target. It did not want to dream. It has recognized Hamas, opened the crossing points, given up on preventing the smuggling of rockets into the Gaza Strip, and put Gilad Shalit in very grave danger... Anybody who remembers Olmert's vow in June 2006 that he would bring Shalit back, immediately and with no quid prod quo, cannot help being skeptical about the Prime Minister's optimistic prediction that Shalit will be released now... So the government did not stop at the red light. This morning the 'tahdiya' opened without Shalit. And nobody knows if it will be honored, and for how long, and what the IDF will encounter when it is over, on the day when Hamas resumes the shooting."

VI. "Israel's EU Upgrade"

The conservative, independent Jerusalem Post editorialized (6/19): "Foreign Minister Tzipi Livni and EU foreign ministers ushered in a

new era in Israeli-European relations this week at a meeting in Luxembourg. After a year of intensive negotiations ... the EU-Israel Association Council announced an upgrade in the relations between Israel and the EU. This entails increased diplomatic cooperation; Israel's participation in European agencies and environmental, educational, agricultural, banking and space programs; and an examination of possible Israeli integration into the European single market. The move encountered stiff resistance from the usual quarters. The Arab League tried to torpedo it.... A coalition of humanitarian organizations, meanwhile, expressed their intense disappointment that the EU failed to make the upgrade contingent on ending Israel's 'abuses' of Palestinian human rights.... The EU'S move -- and the deepening ties it heralds -- is a welcome one for several reasons. First, at an auspicious time, it braces and reinforces a growing friendship.... The announcement is welcome, too, in light of the fact that the EU remains the financial backer of the PA and the United Nations Relief and Works Agency. engagement with the region, after all, has not always been judicious.... The upgrade is also welcome for the economic fruits it promises to bring to an already robust partnership.... But the upgrade of relations perhaps takes on its deepest significance in light of the EU's role as a Quartet member, and the increased leverage with which Israel can now encourage the Europeans to take a firm stand against Hamas and Iran, while coaxing Palestinian relative moderates to temper their demands so as to increase chances of a bargaining breakthrough. For all these reasons, the EU announcement, and the far-reaching effects it betokens, represent a step in the right direction.'

JONES